



AGENDA SPECIAL MEETING

Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency

City Council Chambers, 1424 Mission Street
Wednesday, June 28, 2016 4:00 PM

Chair: Gary E. Pia

Vice-Chair: *vacant*

Board Members: Tim Evans; John Mayer;

Ted Shaw; Joe Simoneschi-Sloan

In order to address the Board, please complete a Public Comment Card and present it to the Secretary. Speakers will be called upon by the Chairman at the appropriate time. Time allotted per speaker: 3 minutes.

Call to Order

Roll Call

Pledge of Allegiance

Confirmation of Agenda

Public Comment

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes

Discussion Items

1. Approval of Minutes: January 27, 2016 Special Meeting
2. Resolution Approving the Fiscal Year 2016-17 Administrative Budget for the Successor Agency
3. Resolution Amending the Long Range Property Management Plan for Successor Agency Property
4. Resolution Approving a Bond Proceeds Expenditure Agreement Between the City of South Pasadena and the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena

Adjournment

Accommodations



Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

6/22/16
Date


Lucy Demirjian
Assistant to the City Manager

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA
COMMUNITY REDEVELOPMENT AGENCY**

**CITY OF SOUTH PASADENA
CITY COUNCIL CHAMBERS
1424 MISSION STREET
SOUTH PASADENA, CALIFORNIA 91030**

Wednesday, January 27, 2016

4:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (16-0803)

Attachments: [Audio](#)

Call to Order

Chair Pia called the meeting to order at 4:06 p.m.

Roll Call

Lucy L. Kbjian, Executive Assistant to the City Manager, called the roll:

Present: Board Members John Mayer, Bob Miller, Ted R. Shaw and Chair Gary Pia

Absent: Board Member Timothy B. Evans

Vacancies: County and Board of Education

Pledge of Allegiance

Board Member Miller led the Pledge of Allegiance.

Confirmation of Agenda

Chair Pia reviewed and confirmed the agenda with the Board.

Public Comment

Opportunity for members of the public to comment on any items not appearing on the agenda. When addressing the Oversight Board, please state your name and address for the record. Time allotted per speaker: 3 minutes.

There were none.

Discussion Items

1. Approval of Minutes: September 9, 2015 Regular Meeting (16-0804)

On motion of Board Member Miller, seconded by Board Member Shaw duly carried by the following vote, the Oversight Board approved the September 9, 2015 Minutes:

Ayes: 4 - Board Member Mayer, Board Member Miller, Board Member Shaw and Chair Pia

Absent: 1 - Board Member Evans

Vacancies: 2 - Los Angeles County and Board of Education Appointees

Attachments: 09-09-15 South Pasadena Draft Minutes

2. Resolution Approving the Recognized Obligation Payment Schedule - July 1, 2016 to June 30, 2017 (ROPS 16-17) (16-0805)

After discussion, on motion of Board Member Shaw, seconded by Board Member Mayer, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-01, A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena, California, adopting a Recognized Obligation Payment Schedule for the Period of July, 2016 - June, 2017:

Ayes: 4 - Board Member Mayer, Board Member Miller, Board Member Shaw and Chair Pia

Absent: 1 - Board Member Evans

Vacancies: 2 - County and Board of Education

Attachments: Staff Report
Resolution
ROPS 16-17

Adjournment

The meeting adjourned at 4:12 p.m. The next regular meeting is scheduled for Wednesday, February 10, 2016 at 4:00 p.m.

Approved

Gary E. Pia, Chair

Date

Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: June 28, 2016

FROM: Lucy Demirjian, Assistant to the City Manager

SUBJECT: **Resolution Approving the Fiscal Year 2016-17 Administrative Budget for the Successor Agency**

Recommendation:

It is recommended that Oversight Board approve by resolution, the Successor Agency's Administrative Budget for the period of July 1, 2016 – June 30, 2017.

Background:

AB XI 26 requires that the Successor Agency adopt an Administrative Budget to be approved by the Oversight Board and submitted to the Department of Finance (DOF). Successor agencies are entitled to an administrative allowance, subject to approval of the Oversight Board. The administrative allowance is up to five percent (5%) of the eligible property tax allocated to the Successor Agency for FY 2013-14 and three percent (3%) each year thereafter. The amount shall up to \$250,000 for any fiscal year unless agreed to by the Successor Agency.

Analysis:

On March 2, 2016, the Successor Agency reviewed and approved the Successor Agency's administrative budget for the period of July 1, 2016 - June 30, 2017. The Oversight Board must now approve the Successor Agency's Administrative Budget with the attached resolution.

Pursuant to Section 34177(j) as amended by AB 1484, an Administrative Budget is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the 2017 Fiscal Year (July 1, 2016 to June 30, 2017); (b) the proposed sources of payment for the costs identified in (a); and (c) proposals for arrangements for administrative and operations services provided by the City to the Successor Agency. Staff may administratively amend the Administrative Budget in order to remove therefrom line items which are subsequently disapproved by the Oversight Board and/or the DOF and also to make corresponding adjustments based on changes to the Recognized Obligation Payment Schedule (ROPS), provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB XI 26 and AB 1484 or such action by the Oversight Board and/or the DOF. The Successor Agency reserves all rights of the Successor Agency to challenge the validity and/or application of any or all provisions of AB XI 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

June 28, 2016

Approval of FY 2016-17 Administrative Budget

Page 2 of 3

Fiscal Impact:

If the Successor Agency does not comply with certain provisions of AB 1484, the Department of Finance and the Los Angeles County Auditor have the exclusive authority to withhold future Sales Tax and Property Tax payments to the City of South Pasadena. In addition, AB 1484 imposes a \$10,000 per day penalty if a Successor Agency does not submit its ROPS on time, regardless of the reason or entity withholding approval.

Attachment: Oversight Board Resolution Approving the Successor Agency's Administrative Budget for Fiscal Year 2016-17

**OVERSIGHT BOARD
RESOLUTION NO. 2016-02**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING AN ADMINISTRATIVE BUDGET
FOR THE SUCCESSOR AGENCY FOR THE PERIOD
OF JULY, 2016 - JUNE, 2017**

WHEREAS, AB X1 26 and AB 1484 require the Oversight Board of the Successor Agency to the South Pasadena Community Redevelopment Agency ("Oversight Board") to approve an Administrative Budget for the period of July 1, 2016 through June 30, 2017; and

WHEREAS, pursuant to AB X1 26 and AB 1484, on March 9, 2016, the Successor Agency Board of Directors examined the budget and found that it is a sound plan for the operations of the Successor Agency and has approved the Administrative Budget attached hereto as Exhibit "A;" and

WHEREAS, pursuant to Health and Safety Code, Section 34177(k), upon approval of the Administrative Budget by the Oversight Board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budgets, that are to be paid from property tax revenue deposited in the Redevelopment Property Tax Trust Fund to the Los Angeles County Auditor-Controller for each fiscal period covered by the administrative budget; and

WHEREAS, the Oversight Board has examined the budget and finds that it is a sound plan for the operations of the Successor Agency.

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT
AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The Oversight Board has studied the Successor Agency's Administrative Budget and finds that it is a sound plan for the operations of the Successor Agency, and the Administrative Budget is hereby approved and adopted in substantially the form attached hereto as Exhibit "A" and made a part hereof as required by Health and Safety Code Section 34177.

SECTION 2. Successor Agency staff is hereby authorized to administratively amend the Administrative Budget in order to remove therefrom line items that may be subsequently disapproved by the Oversight Board and/or the California Department of Finance and also to make corresponding adjustments based on changes to the Recognized

Obligation Payment Schedule (“ROPS”), provided, however, that none of such authorization, removal or adjustment shall be deemed to be, nor are they intended as, an acknowledgment of the validity of AB X1 26 and AB 1484 or such action by the Oversight Board and/or the California Department of Finance.

SECTION 3. The Executive Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the approved Administrative Budget to the Los Angeles County Auditor-Controller, and any other relevant governmental entity. In addition, the Oversight Board further authorizes and directs the Successor Agency staff to make such non-substantive revisions to the Administrative Budget as may be necessary to submit the Administrative Budget, and the Administrative Budget as so modified shall thereupon constitute the Administrative Budget as approved by the Oversight Board pursuant to this Resolution.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 28th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Demirjian, Oversight Board Secretary

EXHIBIT A

Administrative Budget -- Paid from Administrative Cost Allowance -- ROPS Line 2			
	Total FY 17	ROPS 16-17A	ROPS 16-17B
Legal Services	25,000.00	10,000.00	15,000.00
Professional Services	15,000.00	10,000.00	5,000.00
<hr/>			
Total	40,000.00	20,000.00	20,000.00

Oversight Board

of the Successor Agency to the South Pasadena CRA

MEETING DATE: June 28, 2016

FROM: Lucy Demirjian, Assistant to the City Manager

SUBJECT: **Adoption of a Resolution Amending the Long Range Property Management Plan for Successor Agency Property**

Recommendation:

It is recommended that Oversight Board adopt a resolution amending the Long Range Property Management Plan (LRPMP) for property located at Mound and El Centro, Assessor's Parcel Number 5315-003-901 (Property), and submit the LRPMP to the Department of Finance (DOF).

Background:

Assembly Bill (AB) X1 26, which outlines the redevelopment dissolution process, required the Community Redevelopment Agency of the City of South Pasadena (CRA) to transfer all of its real estate assets to the Successor Agency by February of 2012 (total of four properties were transferred to the South Pasadena Housing Authority). Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), further clarified the dissolution process and requires the Successor Agency to submit a LRPMP to the Oversight Board and Department of Finance (DOF) that outlines the proposed plan to dispose of or use of the property(ies) formerly owned by the CRA.

On August 14, 2013, the Successor Agency accepted the LRPMP proposing the sale of the single property located at the northeast corner of Mound Avenue and El Centro Street for Development by Genton Property Group, LLC (Genton), which was subsequently approved by the Oversight Board on August 15, 2013.

On January 14, 2014, the Department of Finance (DOF) approved the LRPMP. The property is an integral piece located in the Downtown Revitalization Project Area, and its sale to Genton would have facilitated the completion of the Redevelopment Plan.

On March 31, 2016, the Exclusive Negotiation Agreement (ENA) between the City and the Developer, Genton, expired. The proposed project was no longer feasible due to the developer's inability to acquire property needed to implement the Downtown Revitalization Project.

Analysis:

The LRPMP is a prerequisite to any disposition of property owned by the Successor Agency.

The current LRPMP addresses the disposition of the following property:

APN: 5315-003-901 (Northeast corner of Mound and El Centro)

THE WESTERLY 56 FEET, BETWEEN PARALLEL LINES OF LOTS 1, 2 AND 3 IN BLOCK "G" OF THE RAYMOND VILLA TRACT NO.1, IN THE CITY OF SOUTH PASADENA, AS PER MAP RECORDED IN BOOK 1, PAGE 91 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

The intent of the current LRPMP was to sell the property to the Project Developer at fair market value with the sale proceeds distributed to the affected taxing entities, contingent upon it being developed in accordance with the approved Redevelopment Plan.

However, with the expiration of the ENA with Genton, neither the City nor the Successor Agency has any immediate development proposal which would utilize the property for other than a public parking purpose.

On September 22, 2015, Governor Brown signed Senate Bill (SB) 107 into law, amending aspects California Health and Safety Code Section 34179.5, including permitting the transfer of parking facilities, including parking lots, dedicated solely to public parking and which do not generate revenues in excess of reasonable maintenance costs, from the Successor Agency to the City, for no compensation as a "governmental purpose" transfer.

Since the property has at all times been used as a free parking lot for employee and public parking, the amendment to the LRPMP will propose the transfer of the property from the Successor Agency to the City for governmental use as a public parking lot, consistent with the "governmental purpose" designation.

On June 15, 2016, the Successor Agency approved the amended LRPMP and submitted it to the Oversight Board for its consideration and approval. Following approval by the Oversight Board, the LRPMP will be submitted to the DOF for approval.

Fiscal Impact:

None.

Legal Review:

The Successor Agency's legal counsel has reviewed and approved this report.

Attachment: Resolution approving Amendment to Long Range Property Management Plan

**OVERSIGHT BOARD
RESOLUTION NO. 2016-03**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING AN AMENDMENT TO THE LONG RANGE
PROPERTY MANAGEMENT PLAN FOR THE
DISPOSITION OF REAL PROPERTY ASSETS OF
THE FORMER REDEVELOPMENT AGENCY**

WHEREAS, the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena (Oversight Board) has been established to take certain actions to wind down the affairs of the former Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484, as codified in the California Health & Safety Code); and

WHEREAS, California Health and Safety Code Section 34179.5 (Act) provides that the Successor Agency is required to prepare a Long Range Property Management Plan (LRPMP) that addresses the disposition and use of real properties of the former redevelopment agency; and

WHEREAS, Section 34179.5 of the Act also requires the Successor Agency to submit the LRPMP to the Oversight Board and the Department of Finance, and required regulatory agencies, not later than six months following the issuance to the Successor Agency of the finding of completion; and

WHEREAS, on August 15, 2013, the Oversight Board approved the LRPMP which governs the disposition of only one property owned by the Successor Agency, described as an 8,452 square foot parking lot located at 1500 El Centro Street, South Pasadena, California (APN 5315-003-901) within the Commercial General zone in the Downtown Revitalization Project Area; and

WHEREAS, the LRPMP designated the parking lot at 1500 El Centro Street, South Pasadena, California, as property to be sold to Genton Property Group, LLC, for fair market value pursuant to the terms of a Disposition and Development Agreement to be negotiated to implement an Exclusive Negotiation Agreement to develop a Downtown Revitalization Project to include an underground parking structure, commercial storefronts and second and third floor residential units (Genton Project); and

WHEREAS, on January 14, 2014, the Department of Finance approved the LRPMP; and

WHEREAS, on March 31, 2016, the Exclusive Negotiation Agreement expired and the pursuit of the Genton Project was discontinued, due to the developer's inability to acquire the Citizen's Business Bank building, which was one of the parcels needed to implement the Genton Project; and

WHEREAS, with the loss of the Genton Project, the City of South Pasadena continues to use the parking lot located at 1500 El Centro Street, South Pasadena (parking lot parcel) for free employee and public parking to access City Hall and administrative offices; and

WHEREAS, on September 22, 2015, Governor Brown signed SB 107 into law, amending aspects of Act, including permitting the transfer of parking facilities, including parking lots, dedicated solely to public parking and which do not generate revenues in excess of reasonable maintenance costs, from the Successor Agency to the City, for no compensation as a "governmental purpose" transfer, subject to Oversight Board and Department of Finance approval; and

WHEREAS, the parking lot parcel, located at 1500 El Centro Street, South Pasadena, has at all times been used as a free parking lot for employee and public parking and with the loss of the Genton Project, the City of South Pasadena wishes to continue to use the parking lot parcel for public parking purposes; and

WHEREAS, Health & Safety Code Section 34181(a), as amended by SB 107, authorizes a "government purpose" transfer of a free public parking lot to a public jurisdiction and the use by the City government as a public parking lot constitutes a governmental use, consistent with the "governmental purpose" designation; and

WHEREAS, SB 107 also authorizes a Successor Agency to amend its LRPMP once, solely to allow for retention of real properties that constitute public parking lots; and

WHEREAS, a "governmental purpose" transfer is also an appropriate transfer category on a LRPMP pursuant to Health & Safety Code Section 34191.5(c) and amending the LRPMP to include this remnant parcel will facilitate review and governmental transparency where all proposed property transfers are located in one document.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. Approval of the amended LRPMP is exempt from the

California Environmental Quality Act (CEQA) under Section 15061 (b) (3) (General Rule) of the CEQA Guidelines because the proposed amendments will not cause a significant adverse physical change to the environment either directly or indirect

SECTION 3. The Oversight Board hereby approves the amended LRPMP, as set forth in Exhibit "A" attached hereto and incorporated herein by reference, to include disposition of the parking lot parcel located at 1500 El Centro Street, South Pasadena to the City of South Pasadena as a "governmental purpose" transfer for no compensation.

SECTION 4. Successor Agency staff is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 3 of this resolution. Such notice and information shall be provided by electronic means.

SECTION 5. The officers of the Oversight Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this resolution.

SECTION 6. Pursuant to California Health & Safety Code Section 34179(h), this action by the South Pasadena Oversight Board shall be effective five business days from the date a copy of this resolution is sent to the California Department of Finance, unless the Department requests a review.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 28th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Demirjian, Oversight Board Secretary

EXHIBIT A



Long Range Property Management Plan

Prepared by:

South Pasadena Successor Agency

August 14, 2013

Amended, *2016*

Introduction

This document constitutes the Long-Range Property Management Plan (LRPMP) of the Successor Agency (Successor Agency) of the former Community Redevelopment Agency of the City of South Pasadena (CRA), prepared in accordance with Health and Safety Code Section 34191.5.

The CRA was dissolved on February 1, 2012, pursuant to ABX1 26 (as amended by AB 1484). These Redevelopment Dissolution Statutes govern the dissolution of the CRA, which includes the disposition of its former real property.

Prior to its dissolution, the CRA owned four parcels of real property (collectively, the Properties, and individually, a Property), which were located in the Downtown Revitalization Project area in the City of South Pasadena. Pursuant to the Redevelopment Dissolution Statutes, ownership of the Properties was transferred to the South Pasadena Housing Authority in early 2012. The Department of Finance has since contested the transfer of one Property, the subject of which is fully described in this LRPMP.

The Property is located within the boundaries of the South Pasadena Downtown Revitalization Project Area (Project Area) and is part of the approved and entitled Downtown Revitalization Project.

The Successor Agency is now responsible for disposition of the Property in accordance with the procedures and requirements of Redevelopment Dissolution Statutes, with particular reference to Health and Safety Code Section 34191.1, 34191.3, 34191.4(a), and 34191.5.

~~This LRPMP will be presented for consideration of approval on August 14, 2013, to the South Pasadena Successor Agency (i.e., South Pasadena City Council serving as the governing board of the Successor Agency).~~

The Successor Agency obtained a "finding of completion" from the California Department of Finance (DOF) on March 29, 2013, pursuant to Health and Safety Code Section 34179.7, that entitles the Successor Agency to submit this LRPMP for approval by the Oversight Board and DOF.

~~On August 15, 2013, the LRPMP was approved will be presented to by the Oversight Board of the Successor Agency (Oversight Board), which was established pursuant to the Redevelopment Dissolution Statutes, for consideration of approval. If both the Successor Agency and the Oversight Board approve the LRPMP, it will be transmitted to DOF for its approval as early as August 16, 2013.~~

In accordance with Health and Safety Code Section 34191.5(c), Part I of this LRPMP contains specific information related to the Property, and Part II addresses and sets forth the proposed plan for disposition and use of the Property. Also accompanying this LRPMP is the information checklist required by the DOF.

The LRPMP, which was approved by the Department of Finance on January 14, 2014, is being amended pursuant to Health and Safety Code section 34191.3(b) and (c), which allows the Successor Agency to amend its LRPMP once if the plan was approved prior to January 1, 2016, solely to allow for the retention of real properties that constitute “parking facilities and lots dedicated solely to public parking.”

Overview of South Pasadena Redevelopment

On May 21, 2008, the City Council approved the Downtown Revitalization Project which involves the development of five building sites within a three-block area, (the “Downtown Revitalization Project”). Overall, the Downtown Revitalization Project as approved would involve the demolition of 11,950 square feet of building area (Citizen's Business Bank building and the former South Pasadena Nursery site). The proposed project would result in approximately 41,000 square feet of retail uses, restaurant uses, bank uses, office uses, and dwelling units, including a minimum of twelve (12) low- to moderate-income Senior Housing units. A total of 328 parking spaces will be provided throughout the project area on various surface lots and in a multi-level garage.

On November 2, 2008, the residents of South Pasadena voted overwhelmingly in support of the Downtown Revitalization Project by passing Measure SP. The passage of Measure SP clarified that residential uses are permitted within the City's Redevelopment Plan to the extent it is permitted by the General Plan and Zoning Code.

On September 7, 2011, the City of South Pasadena entered into an Exclusive Negotiating Agreement with Genton Property Group, LLC (Developer). The City and the South Pasadena Housing Authority entered into an extension of that Exclusive Negotiating Agreement on December 19, 2012 and ~~began~~are currently negotiating a Disposition and Development Agreement (DDA) with the Developer to include the City owned and South Pasadena Housing Authority parcels within the project boundaries. The negotiations also include the single property held by the Successor Agency to be disposed of pursuant to the Redevelopment Dissolution Statutes.

The Downtown Revitalization Area consists of property primarily located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street, and Mound Avenue.

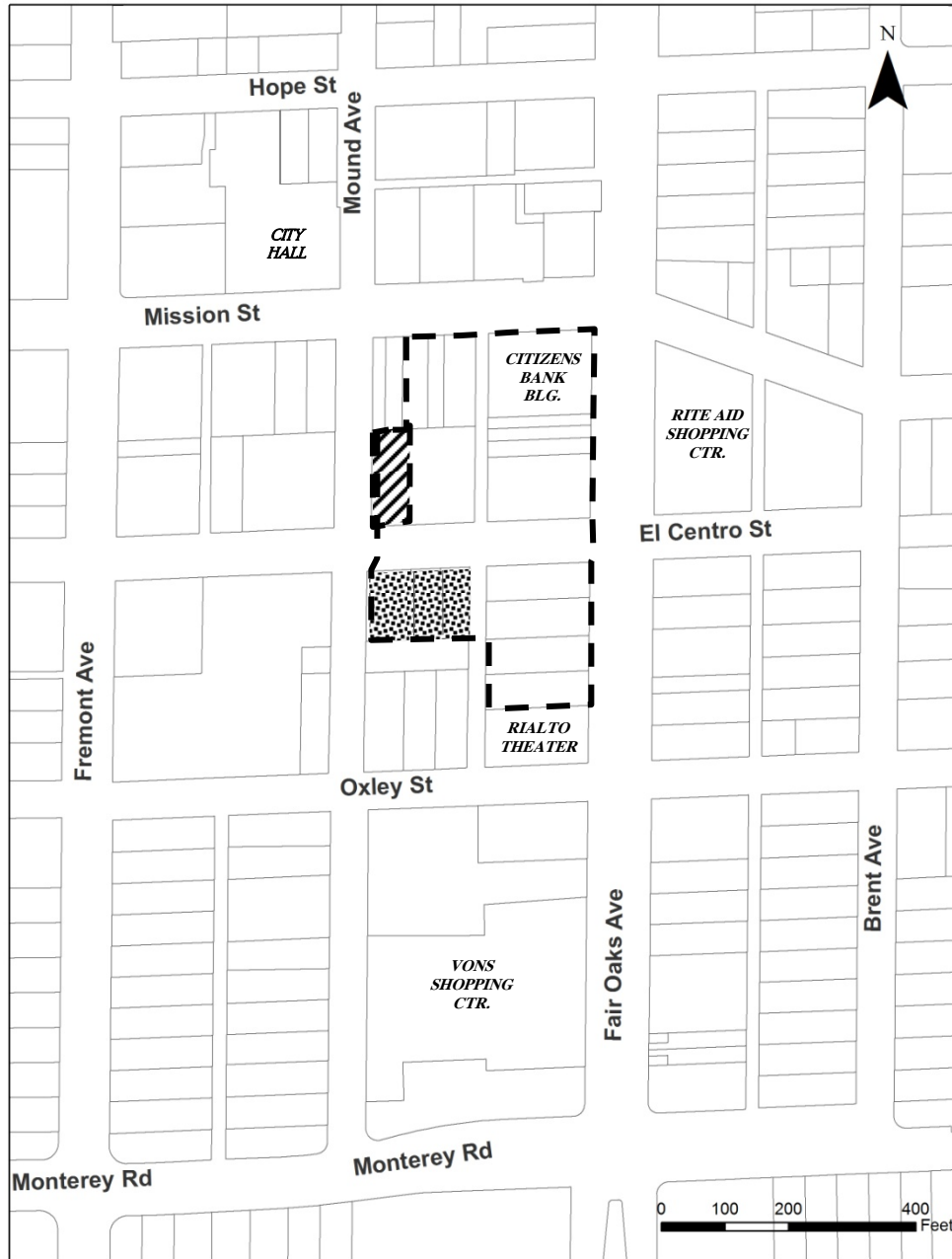
- 1) Approximately .61 acres (comprising two undeveloped parcels on each side of El Centro owned by the Authority totaling .31 acres and two developed parcels at the corner of El Centro and Mound owned by the Authority totaling .3 acres) currently owned by the City or the Authority in fee simple;

- 2) Approximately 0.60 acres comprised of streets, alleys and lanes to which City has a dedicated public right-of-way easement;
- 3) Approximately 1.89 acres of property south of Mission Street and East of Fair Oaks Avenue; and,
- 4) Approximately 0.717 acres generally located adjacent to the areas described above, which are currently owned by various third parties.

Unfortunately, Developer was unable to acquire the Citizens Business Bank property which was necessary to implement the terms of the proposed Disposition and Development Agreement, and as of April 1, 2016, the Exclusive Negotiating Agreement expired. The City of South Pasadena may consider a smaller redevelopment project on the site.

Downtown Project Area

South Pasadena, CA



LEGEND

- Downtown Project Area of Existing Entitlements
- Contested Parcel
- South Pasadena Housing Authority Owned Parcels

Part I:
Property Information

Property Type	Parking Lot
Permissible Use	Commercial Site
Address	1500 El Centro Street, South Pasadena, CA 91030
APN #	5315-003-901
Lot Size	8452 square feet
Current Zoning	Commercial General (CG)

The Property was acquired by the former Community Redevelopment Agency (CRA) by eminent domain (July 25, 1980) specifically for the purpose of redevelopment as part of the ultimately approved project.

The Property is an integral part of the Downtown Revitalization Project Area [which can continue to provide needed public parking for nearby City Hall administrative buildings, the historic Rialto Theatre and the eventual commercial development of the Downtown Revitalization Project Area-](#)

The Department of Finance disallowed the transfer of the Property known as 1500 El Centro, South Pasadena, CA (APN # 5315-003-901), a lot consisting of 8,452 square feet, approximately 0.19 acres, transferred from the Successor Agency of the Redevelopment Agency of the City of South Pasadena to the South Pasadena Housing Authority on February 1, 2012, to be used for development of low- and moderate-income housing on the Project site as shown in the Entitlements ~~(the “contested parcel”)~~. The Department of Finance also disallowed a government use transfer of the ~~Property contested parcel~~ to the City for use as a parking lot on July 24, 2013, [under the limited definition of “governmental purpose” set forth in Health and Safety Code section 34181\(a\).](#)

[However, on September 22, 2015, Governor Brown signed SB 107 into law, amending the Redevelopment Dissolution Statutes, including expanding the definition of “governmental purpose” property to include property which has been and will be used exclusively as a city parking lot, as long as revenues generated from the Property do not exceed operation and maintenance costs. The Property has been utilized as a free public parking lot since its acquisition and continues to provide free parking for both staff and the community to access City Hall and administrative offices.](#)



Aerial Photo—City Hall and Public Parking Lot

Part II:

Property Disposition and Use—Transfer of Real Property for Government Use

The Property has been utilized as a free public parking lot since its acquisition and continues to provide free parking for both staff and the community to access City Hall and administrative offices. The Property will be disposed and used in accordance with the approved South Pasadena Redevelopment Plan, which identifies the development of the Downtown Revitalization Project and includes the Property as part thereof.

Although ~~the~~ the City of South Pasadena and South Pasadena Housing Authority had ~~ve~~ entered into an Exclusive Negotiation Agreement (ENA) with developer, Genton Property Group, LLC, to develop a mixed-use project, including public parking, residential (including low- and moderate-income senior housing units, retail and other commercial uses, in the block bounded by Mission Street on the north, El Centro Street on the south, Fair Oaks Avenue on the east, and Mound Avenue on the west, due to Genton Property Group, LLC inability to acquire the Citizens Business Bank property which was necessary to develop a mixed-use project on the site, the Exclusive Negotiating Agreement expired on March 31, 2016. While the City hopes to eventually develop a modified commercial or mixed-use project within the Downtown Revitalization Project Area, the Property which is the subject of this Long Range Property Management Plan has at all times been identified (and used) for public parking purposes.

The Property that is covered by this Long Range Property Management Plan is 0.19 acres in size, APN number: 5315-003-901, and is located on northeast corner of the intersection of Mound Avenue and El Centro Street. The Property continues to be viewed as an essential piece for developing the Downtown Revitalization Project Area, and the best use in that regard is to continue to maintain it for parking as the area depends on this lot being available for public parking given the limited other parking available. Prior to the expanded definition of governmental purpose properties to include public parking lots, this site was required to be sold. Under the new definitions in Health and Safety Code sections 34181(a)(1, 2) and 34191.3(b), the property can continue its use as a public parking location to service parking needs of City Hall, downtown generally, and the Downtown Revitalization Project Area.

The Property, part of the City's redevelopment project area, is intended to be disposed by the Successor Agency to the developer of the Downtown Revitalization Project, Genton Property Group, LLC, or to any developer that has entered into an Exclusive Negotiation Agreement with the City of South Pasadena should Genton Property Group, LLC, not complete its development of the Downtown Revitalization Project.

The Property is integral to the Downtown Revitalization Project in that a portion of an underground parking garage supporting the Project will be built within the property's boundaries; ground level commercial storefronts will be built on a portion of the property and second and third floor residential units will be built on a portion of the property.

Exclusion of the property would render the Downtown Revitalization Project unfeasible to build.

~~The City/Successor Agency/Housing Authority are currently negotiating one or more Disposition and Development Agreements (DDA) with Genton Property Group, LLC, which will specify the terms and conditions for the developer to develop the Downtown Revitalization Project and shall include a sale of the Property to the developer, with the sale contingent upon execution of an agreement committing the Property to be developed in accordance with the approved Redevelopment Plan.~~

~~The DDA will also specify how the Property will be sold to Genton Property Group, LLC, or to any developer that has entered into an Exclusive Negotiation Agreement with the City of South Pasadena/Successor Agency/Housing Authority should Genton Property Group, LLC, not complete its development of the Downtown Revitalization Project.~~

~~The Property will be sold to Genton Property Group, LLC, for fair market value based upon an appraisal.~~

Oversight Board of the Successor Agency to the South Pasadena CRA

MEETING DATE: June 28, 2016

FROM: Lucy Demirjian, Assistant to the City Manager

SUBJECT: **Adoption of a Resolution Approving a Bond Proceeds Expenditure Agreement Between the City of South Pasadena and the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena**

Recommendation:

It is recommended that Oversight Board adopt a resolution approving a Bond Proceeds Expenditure Agreement (BPEA) between the City of South Pasadena (City) and the Successor Agency to the South Pasadena Community Redevelopment Agency (Successor Agency).

Background:

Section 34191.4(c) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold; provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants; and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the Successor Agency's Recognized Obligation Payment Schedule (ROPS).

On April 26, 2013, the Successor Agency received a finding of completion. At that time the City was in the process of negotiating a Disposition and Development Agreement (DDA) with Genton Property Group, LLC, (Genton) pursuant to an Exclusive Negotiating Agreement (ENA). These Agreements were an outgrowth of designs and entitlements originally provided for Decoma Developers, LLC, for a proposed development in the former Redevelopment Agency's Downtown Revitalization Project Area. Despite some initial progress with Genton's proposal to develop the Project Area, they were ultimately unable to acquire the necessary properties to pursue their proposed development, and the ENA was allowed to expire on March 31, 2016.

Analysis:

While the City has not engaged a developer to replace Genton, the City is still very desirous of developing the Project Area, which would include retail, public parking, and affordable housing. In the absence of a current development as initially envisioned, the remaining proceeds from the 2000 Tax Allocation bonds are now considered "excess," and under the Dissolution Act may be used to further the purposes for which the bonds had been issued. This may be accomplished by transferring these proceeds to the City in accordance with a BPEA.

June 28, 2016

Resolution approving Bond Proceeds Expenditure Agreement

Page 2 of 3

On June 15, 2016, the Successor Agency approved the BPEA with the City. Once approved by the Oversight Board, the BPEA will be submitted to the State Department of Finance (DOF) for final approval. An amended ROPS will be prepared listing the bond proceeds as excess obligations, and the City as the payee instead of Genton Property Group, LLC. Following Successor Agency, Oversight Board, and DOF approval of the ROPS, the funds will be transferred.

Fiscal Impact:

Approval of this resolution will allow the transfer of \$901,435.90 in excess bond proceeds from the 2000 Tax Allocation Bonds held by the Successor Agency to the City, pending approval by the DOF.

Legal Review:

The Successor Agency's legal counsel has reviewed and approved this report.

Attachment: Resolution approving Bond Proceeds Expenditure Agreement

**OVERSIGHT BOARD
RESOLUTION NO. 2016-04**

**A RESOLUTION OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING BOND EXPENDITURE AGREEMENT BETWEEN
THE CITY OF SOUTH PASADENA AND THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA**

WHEREAS, the Community Redevelopment Agency of the City of South Pasadena (Agency) was duly formed by the City Council of the City of South Pasadena (City) to implement the Redevelopment Plan for the Agency's Downtown Revitalization Project, in furtherance of the objectives of the Community Redevelopment Law of the State of California, Health and Safety Code Section 33000, et seq.; and

WHEREAS, Assembly Bill lx 26, chaptered and effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012, and Senate Bill 107, effective on September 22, 2015 (together, the Dissolution Act); and

WHEREAS, as of February 1, 2012, the Agency was dissolved pursuant to the Dissolution Act and the City Council serves as the governing board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena (Successor Agency); and

WHEREAS, Section 34179, *et seq.*, of the Dissolution Act establishes the Oversight Board to oversee decisions made by the Successor Agency; and

WHEREAS, the Successor Agency desires to fund projects of the City with use of bond proceeds, listed in Exhibit "A," subject to approval by the Oversight Board and the California Department of Finance; and

WHEREAS, an agreement for use of the bond proceeds is required between the Successor Agency and the City and the agreement is required to be approved by both the Oversight Board and the California Department of Finance; and

WHEREAS, on June 15, 2016, the Successor Agency and the City held a joint meeting and approved the bond proceeds expenditure agreement, subject to approval by both the Oversight Board and the California Department of Finance; and

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH PASADENA COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board hereby approves the Bond Proceeds Expenditure Agreement to fund \$902,000 for projects of the City, as Exhibit “B.”

SECTION 2. The Chair of the Oversight Board is authorized to make any insignificant changes or changes requested by the California Department of Finance related to the Oversight Board action, subject to the review and recommendation of the Oversight Board legal counsel.

SECTION 3. The Secretary of the Oversight Board shall certify to the passage and adoption of this resolution.

PASSED, APPROVED and ADOPTED at a Special Meeting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena held this 28th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Gary E. Pia, Oversight Board Chairperson

ATTEST:

Lucy Demirjian, Oversight Board Secretary

EXHIBIT A

**Bond Spending Plan For Funds Remaining in
Downtown Revitalization Redevelopment Project No. 1
Tax Allocation Bonds, Series 2000**

<u>Project Name</u>	<u>Amount Available</u>
1. Affordable Rental Housing Development Within Downtown Revitalization Area	\$463,104
2. Public Parking Within Downtown Revitalization Area	\$438,332

Exhibit B

BOND PROCEEDS EXPENDITURE AGREEMENT

This BOND PROCEEDS EXPENDITURE AGREEMENT ("Agreement") is entered into as of **June 15, 2016** by and between the CITY OF SOUTH PASADENA, a California municipal corporation ("City"), and the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH PASADENA, a public body, corporate and politic ("Successor Agency").

Recitals

A. The City is a municipal corporation organized and operating under the laws of the State of California.

B. The Successor Agency is a public body, corporate and politic, organized and operating under Part 1.85 of Division 24 of the Dissolution Act (as defined in Recital D below).

C. The Community Redevelopment Agency of the City of South Pasadena ("former Agency") previously was a California public body, corporate and politic, duly formed by the City Council of the City of South Pasadena ("City Council") and was organized, existed and exercised the powers of a community redevelopment agency under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*

D. Assembly Bill x 1 26 ("AB x 1 26"), effective on June 28, 2011, added Parts 1.8 and 1 .85 to Division 24 of the California Health and Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos Decision*"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies. Thereafter, such laws were amended further by Assembly Bill 1484 ("AB 1484") that was effective on June 27, 2012, and further amended by SB 107, which was effective September 22, 2015 (together AB x 1 26, the *Matosantos Decision*, AB 1484 and SB 107 are referred to as the "Dissolution Act"). All statutory references herein are to the Dissolution Act unless otherwise stated.

E. As of February 1, 2012, the former Agency became a dissolved community redevelopment agency pursuant to the Dissolution Act.

F. As of and on and after February 1, 2012, the Successor Agency is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the former Agency and is engaged in activities necessary and appropriate to wind down the affairs of the former Agency, all subject to the review and approval by a seven-member "Oversight Board" formed thereunder.

G. Section 34191.4(c) of the Dissolution Act allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for the purposes for which the bonds were sold; provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants; and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS").

H. The California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178(a) allows a successor agency and its sponsoring city to enter into agreements, subject to Oversight Board approval pursuant to Health and Safety Code Section 34180(h).

I. The Successor Agency has and will have proceeds of its Downtown Revitalization Redevelopment Project No. 1 Tax Allocation Bonds, Series 2000 that are not otherwise obligated for a project or other enforceable obligation ("Excess Bond Proceeds").

J. The Successor Agency desires to transfer its Excess Bond Proceeds to the City to enable the City to use such Excess Bond Proceeds in a manner consistent with the original bond covenants and to undertake projects and programs that were not previously funded and obligated by the former Agency or the City. The City, subject to the receipt of the funds, will adopt a spending plan for using such Excess Bond Proceeds ("Bond Spending Plan") to advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council and Successor Agency Board have found that the use of Excess Bond Proceeds is in accordance with the Bond Spending Plan to fund projects that involve City-owned public streets, facilities, structures, or other improvements is in accordance with Health and Safety Code Section 34191.4(c) and other applicable laws. The Oversight Board has determined that the expenditure of Excess Bond Proceeds in accordance with this Agreement will benefit the affected taxing entities, and has approved the execution of this Agreement and the transfer of Excess Bond Proceeds to the City for the purposes described herein.

K. In order to facilitate the use of Excess Bond Proceeds consistent with all applicable bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of Excess Bond Proceeds by the Successor Agency to the City, and the City's use of such proceeds consistent with all applicable bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(2)(A) to be paid from Excess Bond Proceeds. With Oversight Board approval, the Redevelopment Agency has listed this Agreement, and the requirement to transfer excess bond proceeds herein, on its revised ROPS for **July 1, 2016 through June 30, 2017** as an obligation to be funded with Excess Bond Proceeds.

NO W, THEREFORE, the parties hereto do mutually agree as follows:

1. **Recitals.** The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. **Successor Agency Obligations.** The Redevelopment Agency shall have the following obligations under this Agreement:

21 **Current Excess Bond Proceeds.** The Successor Agency shall transfer to the City, no later than **December 31, 2016**, Excess Bond Proceeds that will be held by the Successor Agency in an amount not to exceed **Nine Hundred Two Thousand dollars (\$902,000)**.

Projects Funded By Excess Bond Proceeds. The Successor Agency assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds.

3. City Obligations. The City shall have the following obligations under this Agreement:

31 Excess Bond Proceeds. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement. The City shall retain any Excess Bond Proceeds that it receives, and shall use such funds for uses consistent with applicable bond covenants.

The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized under the Bond Spending Plan. Notwithstanding anything to the contrary in this Agreement or the Bond Spending Plan, the City shall spend Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds. Specifically, City intends to spend the Excess Bond Proceeds on development of affordable housing projects, including senior housing; infrastructure and capital improvements which will benefit the former Agency Downtown Revitalization Project Area to stimulate economic development. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities.

The City shall perform its obligations hereunder in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project commenced by the City pursuant to this Agreement and the Bond Spending Plan.

32 Bond Spending Plan. The City shall be solely responsible for maintaining and implementing the Bond Spending Plan. The City may amend the Bond Spending Plan as the City deems necessary in its sole discretion. Any amendments to the adopted Bond Spending Plan will consider uses that advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. Notwithstanding any contrary provision hereof, unless the City expressly agrees otherwise, the City shall not be obligated to provide funding for any program or project in an amount exceeding the Excess Bond Proceeds provided to the City pursuant to this Agreement.

4. Entire Agreement; Waivers; and Amendments

41 This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

42 This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this Agreement.

43 All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

5. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. Default. If either party fails to adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

7. Binding on Successors. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

8. Further Assurances. Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.


[SIGNATURES ON NEXT PAGE]

In witness whereof, the undersigned parties have executed this Bond Proceeds Expenditure Agreement as of the date first above written.

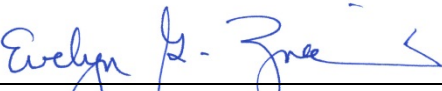
“CITY”

CITY OF SOUTH PASADENA

a municipal corporation

By: 
Diana Mahmud, Mayor

ATTEST:

By: 
Evelyn G. Zneimer, City Clerk

**CITY OF SOUTHPASADENA
SUCCESSOR AGENCY TO THE
COMMUNITY
REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH
PASADENA**

By: 
Diana Mahmud, Agency Chair

ATTEST:

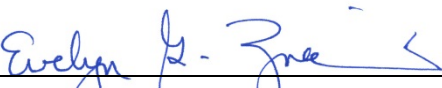
By: 
Evelyn G. Zneimer, Agency Secretary

EXHIBIT “A”

Bond Spending Plan For Funds Remaining in Downtown Revitalization Redevelopment Project No. 1 Tax Allocation Bonds, Series 2000

<u>Project Name</u>	<u>Amount Available</u>
1. Affordable Rental Housing Development Within Downtown Revitalization Area	\$463,104
2. Public Parking Within Downtown Revitalization Area	\$438,332